VZCZCXRO3474

PP RUEHROV

DE RUEHTV #0318/01 0391703

ZNY CCCCC ZZH

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FM AMEMBASSY TEL AVIV

TO RUEHC/SECSTATE WASHDC PRIORITY 5342

INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY

RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

RHMFISS/DEPT OF HOMELAND SECURITY WASHINGTON DC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 000318

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E.O. 12958: DECL: 02/06/2018

TAGS: PREL PGOV KPAL KIRF CASC BEXP IS

SUBJECT: AMBASSADOR AND INTERIOR MINISTER SHEETRIT DISCUSS
POLITICS, PEACE PROCESS, AMCIT AND VISA ISSUES

Classified By: Ambassador Richard H. Jones for reasons 1,4 (b) and (d).

 $\underline{\mbox{1}}\mbox{1}.$ (C) SUMMARY: The Ambassador called on Interior Minister Meir Sheetrit (Kadima) February 7 to discuss political and bilateral issues. Sheetrit thought DefMin Barak had made a mistake and destroyed his credibility by not resigning, as promised, following the release of the Winograd report. He asserted that in the current environment, PM Olmert would not be able to hold the coalition together for very long, and Kadima would collapse when it became clear that peace talks $\,$ with the Palestinians would not succeed within a year. Sheetrit was openly skeptical of the Annapolis process, saying he doubted whether the Palestinians or the GOI would be able to deliver on their respective Roadmap obligations. Instead of a bilateral process with the Palestinians, Sheetrit advocated peace talks with the Arab League on the basis of the Saudi initiative, "because we would at least have states to deal with." Regarding AmCit problems at border crossings, Sheetrit said he was planning to create a professional immigration service in the MOI which he thought would help alleviate some of the problems faced by foreign nationals of Arab or Muslim origin when they arrive in Israel. He also vowed to have his staff examine AmCit complaints about bureaucratic obstacles to renewing visitor visas while residing in the West Bank. On employment for Embassy spouses, Sheetrit said he was unaware there were any problems and pledged, as a matter of reciprocity, to fix the problems preventing diplomatic spouses from obtaining employment permits in a timely fashion. Sheetrit also briefed the Ambassador on a new arrangement with Christian institutions regarding visas for Arab Christian clergy, and indicated that he would likely travel to Washington soon for consultations with DHS and State on immigration, visa waiver and document security issues. He hoped to call on Secretary Rice at that time. He responded to the Ambassador's queries about the MOI's allegedly unfair treatment of the local subsidiary of HP during the tendering process for a GOI contract to issue new ID cards by saying he was not involved and not at liberty to discuss this tender, which is the subject of a court case. END SUMMARY.

The Politics of Peace

12. (C) The Ambassador asked whether PM Olmert would be able to hold his governing coalition together in light of several possible rebellions within coalition ranks and the stated determination of the Shas party to withdraw from the government once final status talks over Jerusalem commence. Sheetrit acknowledged the challenges, confiding, "I don't think the government will hold on for long." The lack of discipline in the Labor party, he said, where four members have recently announced their willingness to vote independently, means that Shas can demand ever greater concessions in exchange for remaining in the government, and

those concessions could have negative consequences for the peace process. Even if Olmert somehow manages to hold the coalition together for the next few months, he added, Kadima will collapse and the government will fall when it becomes clear that the peace talks with the Palestinians will not succeed by the end of the year. Asked whether the government would be able to fulfill its commitments to dismantle illegal outposts and halt settlement expansion, Sheetrit said he "did not see it happening." He noted, however, that the illegal outposts were a "disgrace" and should be removed as a simple matter of law enforcement.

- 13. (C) Sheetrit said Defense Minister Barak made a big mistake by not fulfilling his promise to pull his Labor party out of the coalition following the publication of the final Winograd report. Had Barak done so, Sheetrit said, he could have collapsed the government and run for Prime Minister in new elections on the basis of his credibility for having kept his word. That, combined with the appeal of a Labor-led peace process with the Palestinians, might have given Barak a chance at beating Netanyahu and the Likud party in a general election. Now, however, the government will fall anyway, and Barak will have little credibility left to stand on.
- 14. (C) Announcing that "nothing will come out of Annapolis," Sheetrit said there was no one on the Palestinian side to deal with. He thought the Palestinians would not be able to halt terrorism because the PA's leaders are too beholden to militant constituents. Instead, Sheetrit advocated pursuing a peace process on the basis of the Arab League (Saudi) plan. While the Arab League initiative's opening conditions were tougher on Israel than the bilateral process launched at Annapolis, it nevertheless offered a better chance of success, "because we would at least have states to deal

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- with." Sheetrit argued that Israel could not rely on an agreement with the Palestinians alone, and instead needed the Arab League to make the deal and then bring the Palestinians along. Unlike the Palestinians, the Arab League was capable of delivering on its commitments, and in doing so could provide cover for Palestinian leaders.
- 15. (C) The Ambassador countered that the Annapolis process included regional as well as bilateral Israeli-Palestinian elements. The U.S. believed that for any agreement to stick, Israel and the Palestinians needed to believe in it themselves, and not have it imposed on them from the outside. At the same time, we would continue to build international and regional support for the process, so that both sides could see the political horizon that lay ahead. Sheetrit said he appreciated the U.S. effort, but thought it was somewhat divorced from reality, and he remained skeptical about its chances for success. "Our Polish (i.e. European Ashkenazi Jews) leaders don't understand the Arabs," he said; they don't need Western notions of freedom and democracy, "they just need to be free to cook their own food."
- 16. (U) The Ambassador briefed Sheetrit on the missions of Generals Jones and Frazer, and suggested a future meeting with General Frazer -- who would be assisting the parties with meeting their Roadmap obligations -- might prove useful. Sheetrit agreed and said he would be happy to meet General Frazer on a future visit.

AmCits: Ongoing Border and West Bank Problems

17. (U) The Ambassador raised ongoing U.S. concerns about the treatment of AmCits of Arab or Muslim origin at border crossings. He stressed that two of our own diplomats, traveling with high level delegations, have even been held for questioning at Ben Gurion airport. The situation remained a problem despite repeated GOI pledges to address it. Sheetrit said he was unaware of the problem and agreed it needed to be addressed. Part of the problem, he said, was

that the police control border crossings rather than a proper immigration service. He said he was working on a GOI-recommended plan to transfer authority for Israel's borders from the national police to the Interior Ministry. As part of that process, Sheetrit hoped to create a professional immigration service to handle traffic at all of Israel's border crossings, including Ben Gurion airport. He also planned to upgrade Israeli ID cards and travel documents -- which he called dangerously insecure -- with biometric technologies. In the meantime, he suggested that we ask GOI ministries to help expedite the arrival of any official delegations that they host, in order to prevent a repeat of prior problems with our diplomats. The Ambassador agreed that a professional immigration service would be helpful, and offered to help arrange consultations for Sheetrit or his staff with DHS to discuss our own experiences with border control.

18. (U) The Ambassador also noted ongoing problems with visa renewal for AmCits in the West Bank. While the GOI agreed almost a year ago to allow foreign nationals, under certain circumstances, to renew their visitor visas after three months without having to leave the country first, problems persisted and many Americans were finding it difficult to renew their visas. Explaining that large numbers of AmCits spend extended periods of time in the West Bank for family, business or humanitarian purposes -- which support the cause of peace -- the Ambassador asked if Sheetrit could look into this problem. Sheetrit agreed, and pledged to have his staff follow up with Embassy officers.

Employment for Diplomatic Spouses

19. (U) The Ambassador conveyed USG frustration with ongoing problems obtained employment permits for spouses of Embassy employees. Noting that the USG issued 97 work permits for spouses of Israeli diplomatic personnel in the U.S. last year, the Ambassador explained that the spouses of our own employees continued to face daunting bureaucratic obstacles to obtaining their own work permits in Israel. This was a simple matter of reciprocity, he stressed, and we would like the issue resolved. Sheetrit said he was unaware of the problem but agreed to find a way to fix it. He asked for the names of diplomatic spouses wanting employment permits and said he would take care of their permits. The Ambassador thanked Sheetrit but said we would also like to address the problem in a sytematic way, so that the ability of our spouses to work on the local economy is not contingent on

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ministerial-level intervention in every case. Sheetrit agreed to have his staff work with us to streamline the process easier overall.

Visa Waiver Program and Washington Consultations

110. (U) Sheetrit pressed for the rapid inclusion of Israel in the Visa Waiver Program (VWP). Arguing that Israelis were generally not a risk for illegal immigration, he suggested that adding Israel to the VWP could reduce any incidents of illegal immigration by taking away the incentive to overstay a visa. If people don't have to be afraid of not getting back into the U.S. the next time they want to visit, then they will be more likely to leave when their time is up, he said. Sheetrit said he was considering a visit to the U.S. to discuss the issue with DHS Secretary Chertoff and others (including Secretary Rice, Sheetrit hoped). The Ambassador agreed that a visit might be useful, and suggested Sheetrit could take the opportunity to also discuss document security and immigration issues.

Visas for Religious Workers

111. (U) Sheetrit briefed the Ambassador on the MOI's cooperation with the Vatican and other Christian institutions to ease the rules on visa issuance for Arab Christian clergy. (Note: Acting on the recommendation of security services, the MOI cancelled all multi-entry visas for Arab Christian clergy in Israel and the West Bank last fall, leading to serious tensions between the GOI and the Vatican, among others.) Sheetrit said he met with the Papal Nuncio (who demarched the Ambassador on this subject in December) and the Christian Patriarchs last month to hammer out a solution. The result was an agreement to grant traveling clergy a single re-entry visa at the same time they depart from Israel or the West Bank. In that way, Arab clergy would not need to worry about getting back into Israel once they leave. The Ambassador thanked Sheetrit for his efforts on this matter.

Hewlett-Packard ID Card Tender

112. (SBU) The Ambassador also registered USG concern over what appeared to be a certain lack of transparency in the tendering process for creating a new Israeli identity card system. While the local subsidiary of HP, which has been heavily and constructively invested in Israel for a long time, won the original tender in a fair bidding process, recent GOI moves to diqualify HP's bid appeared suspicious. Noting that the case was before the courts, Sheetrit stressed that he could not talk about the issue. He told the Ambassador that he had nothing to do with the MOI's tender committee, and was barred by Israeli law from discussing open tenders.

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You can also access this site through the State Department's Classified SIPRNET website.

JONES